

From: [Moore, Gary](#)
To: [Gee, Jo](#)
Subject: RE: TO 62 - charges for the removal work at the CES Environmental Services site
Date: Wednesday, March 25, 2015 5:03:00 PM
Attachments: [image001.png](#)

JoAnn:

Thanks for the information. What action is the CO going to take? Is she going to agree with the rental charges or is she going to dispute the rental charges? I need to know so I know how to handle the 1900-55's. I just need an answer.

Thanks

Gary Moore
Federal On-Scene Coordinator
U.S. EPA Region 6
214-789-1627 cell
214-665-6609 office
moore.gary@epa.gov

From: Gee, Jo
Sent: Wednesday, March 25, 2015 2:48 PM
To: Moore, Gary
Subject: FW: TO 62 - charges for the removal work at the CES Environmental Services site
FYI

From: Means, Mike [<mailto:Mike.Means@CBIFederalServices.com>]
Sent: Wednesday, March 25, 2015 1:57 PM
To: Williams, Latrice; Gee, Jo
Cc: Theisen, Aimee
Subject: RE: TO 62 - charges for the removal work at the CES Environmental Services site
Latrice and Jo Ann:

Thank you for the email. I wanted to get this to you both as soon as possible. Here is where we stand right now on the 2 items in question for Task Order 62 from last week's conference call please see below.

Adler Truck Rentals: On January 15, 2015, CB&I informed the CO and PO of CB&I's credit memo dated January 5, 2015 to Adler regarding a change in the equipment agreement from rental to purchase due to damaged equipment (i.e. inability to decontaminate). As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.

- The Adler Berm and Truck Guards purchase prices have not yet been recorded on a 1900-55. The purchase price is still being negotiated.
- The rental charges are not being removed from the 1900-55 because the item was rented up until the time it was requested for purchase. The rental charges are valid and are being processed accordingly.

Update 3/25/15

- The two disputed items of note are one section of poly berm and two sections of poly track guard. Alder Tanks is providing a credit memo for the berm rental for November. Adler was



9855287

notified on 11/5 that we would be purchasing the berm since the items could not be decontaminated and from what I hear we were requested to dispose of them by the OSC. Previous to this we had 12 days of rental \$15 dollars a day. As of today, the berm has not been invoiced but will be \$1,575 which includes the replacement of the boom plus "boom tape". Currently this cost is being shown as a pending cost on the 1900-55.

- The track guard was considered contaminated and disposed of on 12/5 2015. Two sections of guard were rented for 12 days in November at \$3 a day each per section and the full Month of December. Adler was notified on 12/5 that we would be purchasing the track guard and a credit memo for the rental portion of December was submitted to CB&I. The total cost for the track guard replacement is estimated at \$1300.
 - We still stand by that we did use the equipment at the site and it operated properly therefore we owe the vendor the rental fees for the time it was used. Since site conditions contaminated the items and they could not be cleaned so that the vendor could receive the items back into inventory and re-rent the equipment to a third party, it is my thought that we owe the vendor both the negotiated replacement cost and the rental fees. Any direction here would be greatly appreciated.
3. **Airgas Equipment:** This equipment was damaged due to chemical contamination/permeation. As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.
- The purchase price for the Airgas equipment has not yet been recorded on a 1900-55. The purchase price is still being negotiated as an acceptable depreciation cost has yet to be agreed upon.
 - The rental charges are not being removed from the 1900-55 because the item was rented up until the time it was requested for purchase. The rental charges are valid and are being processed accordingly.

Update 3/25/15

- The Airgas Equipment has been negotiated and the price has been communicated to the OSC. We will show it as a pending cost until the invoice from Airgas is finalized.
- We still stand by that we did use the equipment at the site and it operated properly therefore we owe the vendor the rental price. We also owe the vendor the negotiated replacement cost because even though we returned the equipment in an operating condition and none of the equipment was physically damaged, the smell from the phenol compounds could not be deconned out of the equipment because the phenols had chemically bonded with the gasket and hose material of the equipment; therefore the vendor could not rent the equipment to a third party. As noted earlier, we have negotiated with the vendor for an depreciated price. Your thoughts here would be greatly appreciated.

Should you have any questions please feel free to contact me at 816-548-8649,

Thanks again,

Mike



Mike Means
Project Manager
CB&I Federal Services

Cell: +1 816 548 8649
mike.means@cbifederaleservices.com
CB&I Federal Services
Kansas City, Missouri 64111
USA
www.CBI.com



From: Williams, Latrice [<mailto:Williams.Latrice@epa.gov>]
Sent: Tuesday, March 24, 2015 7:44 AM
To: Means, Mike
Cc: Gee, Jo
Subject: FW: TO 62 - charges for the removal work at the CES Environmental Services site
Hi Mike

Dan's last response to EPA about the damaged equipment is provided in the message below.

I apologize for the delay.

Best regards,

Latrice Williams

Contracting Officer

Environmental Protection Agency

Procurement Section

1445 Ross Avenue, Suite 1200

Dallas, Texas 75202

Office No.: (214)665-6516

E-mail: williams.latrice@epa.gov

From: Oser, Dan [<mailto:dan.oser@CBIFederalServices.com>]
Sent: Wednesday, February 18, 2015 3:01 PM
To: Williams, Latrice; Neal, John; Carlascio, Angela; Theisen, Aimee
Cc: Gee, Jo; Cassidey, LeRoy

Subject: RE: TO 62 - charges for the removal work at the CES Environmental Services site
Latrice, per your request, below is our response to the OSC's inquiry.

1. **Subcontract/Purchasing:** The number of hours for the subcontracting/purchasing is unusually high for this project when compared to the number of total hours for a Response Manager. The number of subcontracting/purchasing hours is 661 hours, and the number of Response Manager hours is 697.25 hours. As a result, I hereby request an explanation for the excessive subcontracting/purchasing hours.

- With regards to the number of subcontracting/purchasing (procurement) hours charged versus the number of Response Manager (RM) hours charged, the procedure is that the RM directs the procurement personnel to conduct that course of business while the RM continues to manage other areas of the Task Order (TO). During this effort, both the procurement personnel and the RM are actively engaged in supporting and executing the SOW of the TO. The efforts of each are not such that one is charging time while the other is not. The procurement person is charging time for their efforts in subcontracting and purchasing while the RM is managing their time amongst the various responsibilities of the TO. The procurement person also reviews the invoices

once the billing activity starts to ensure the accuracy of the charges to the government.

- To date, \$1.3M has been awarded in subcontracts – 38 Orders & 26 Change orders.
- The procurement effort has resulted in approximately 10-12% cost savings through negotiations by Phillip Joseph with the low bidder, resulting in a direct cost savings to the government of approximately 130k - 150k.
- CB&I firmly asserts that the subcontracting/procurement hours are not excessive but rather a necessary component of the executing Contract EP-S6-07-02.

2. **Adler Berm and Truck Guards:** On January 15, 2015, CB&I informed the CO and PO of CB&I's credit memo dated January 5, 2015 to Adler regarding a change in the equipment agreement from rental to purchase due to damaged equipment (i.e. inability to decontaminate). As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.

- The Adler Berm and Truck Guards purchase prices have not yet been recorded on a 1900-55. The purchase price is still being negotiated.
- The rental charges are not being removed from the 1900-55 because the item was rented up until the time it was requested for purchase. The rental charges are valid and are being processed accordingly.

3. **Airgas Equipment:** This equipment was damaged due to chemical contamination/permeation. As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.

- The purchase price for the Airgas equipment has not yet been recorded on a 1900-55. The purchase price is still being negotiated as an acceptable depreciation cost has yet to be agreed upon.
- The rental charges are not being removed from the 1900-55 because the item was rented up until the time it was requested for purchase. The rental charges are valid and are being processed accordingly.

Respectfully,



Dan Oser, PMP

Program Manager

CB&I Federal Services

Contingency Operations

225.303.7915 mobile

dan.oser@cbifederaleservices.com

www.CBI.com

From: Williams, Latrice [<mailto:Williams.Latrice@epa.gov>]

Sent: Thursday, February 12, 2015 8:19 AM

To: Neal, John; Oser, Dan; Carlascio, Angela; Theisen, Aimee

Cc: Gee, Jo; Cassidey, LeRoy

Subject: TO 62 - charges for the removal work at the CES Environmental Services site

Kevin and Dan:

The On-Scene Coordinator is questioning charges for the removal work at the CES Environmental Services site. Please respond to the following requests:

1. **Subcontract/Purchasing:** The number of hours for the subcontracting/purchasing is unusually

high for this project when compared to the number of total hours for a Response Manager. The number of subcontracting/purchasing hours is 661 hours, and the number of Response Manager hours is 697.25 hours. As a result, I hereby request an explanation for the excessive subcontracting/purchasing hours.

2. **Adler Berm and Truck Guards:** On January 15, 2015, CB&I informed the CO and PO of CB&I's credit memo dated January 5, 2015 to Adler regarding a change in the equipment agreement from rental to purchase due to damaged equipment (i.e. inability to decontaminate). As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.
3. **Airgas Equipment:** This equipment was damaged due to chemical contamination/permeation. As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.

Best regards,
Latrice Williams
Contracting Officer
Environmental Protection Agency
Procurement Section
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202
Office No.: (214)665-6516
E-mail: williams.latrice@epa.gov

This e-mail and any attached files may contain CB&I Federal Services LLC (or its affiliates) confidential and privileged information. This information is protected by law and/or agreements between CB&I Federal Services LLC (or its affiliates) and either you, your employer or any contract provider with which you or your employer are associated. If you are not an intended recipient, please contact the sender by reply e-mail and delete all copies of this e-mail; further, you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

This e-mail and any attached files may contain CB&I Federal Services LLC (or its affiliates) confidential and privileged information. This information is protected by law and/or agreements between CB&I Federal Services LLC (or its affiliates) and either you, your employer or any contract provider with which you or your employer are associated. If you are not an intended recipient, please contact the sender by reply e-mail and delete all copies of this e-mail; further, you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.